



WEEKLY REPORT

ARIZONA STATE RETIREMENT SYSTEM

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For the week ending Friday, January 21, 2005

Welcome to the ASRS Weekly Report. This report provides a briefing of news and notices important to member employers and your employees. Please direct comments or email address updates to WeeklyReport@asrs.state.az.us or phone (602) 308-5107.

***** Please distribute or make this report available to your employees. *****

Legislative News

The complete ASRS Legislative package is as follows:

HB 2472 (ASRS; payroll deduction agreements; purchases) mandates that an ASRS member's payroll deduction agreement for the purposes of purchasing additional service time must continue when the member transfers employment between ASRS participating employers.

HB 2473 (ASRS retirees; eligibility for AHCCCS) provides the ASRS the opportunity to explore the AHCCCS business model and provider network by including "retirees" as an "eligible person" in the AHCCCS definition statutes.

HB 2474 (ASRS; credited service purchase) corrects a typographical error that was inadvertently passed during the last legislative session. The correction conforms state statute to federal requirements.

HB 2473 and HB 2474 have been first read, referred to the relevant subject committees and second read. As such, these two bills are ready to be heard in committee. HB2472 has not yet been first read, referred, and second read.

Representative Marian McClure, R-District 30, is the sponsor of all three bills and she is also the chair of the House Public Institutions and Retirement Committee.

More detailed information regarding the status of the above bills as well as other bills that may affect the ASRS or retirement issues is provided on the attached Quick Reference.

ASRS News

ASRS Annual Report available on-line

The 2004 Comprehensive Annual Report of the Arizona State Retirement System was recently published and is available on-line at www.asrs.state.az.us. The 121-page report contains data for fiscal year 2003-04, ended June 30 and covers the areas of finance, investment, actuary and statistics.

Employer staff training workshops

The ASRS Employer Relations Division is again hosting a series of workshops to assist employers with new staff members who have duties and responsibilities related to the ASRS and retirement. ER 101 is designed especially for those who haven't worked with the ASRS in the recent past. Come learn the basics!

Subject matter will include determining membership, the ASRS Long Term Disability plan, reporting contributions, the ASRS Return to Work Program, the Health Insurance Premium Benefit Program, completing necessary ASRS forms and more. Workshops will be from 8:30 a.m. to 12:30 p.m. at the ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room. **Dates are: Feb. 3, March 3, April 7, Sept. 22, Oct. 6, Nov. 3 and Dec. 1.**

Space is limited, so register today by sending an email with your name, title, employer and telephone number to: WeeklyReport@asrs.state.az.us For more information, call (602) 308-5107.

Keep us informed of changes

It's important for members to check and verify information such as your beneficiaries, your address and other personal information found on your member statement, which were recently mailed to all members. As always, you should report any changes to the ASRS as soon as possible. This may include changes due to events such as marriage, divorce, new address or new beneficiary designations.

To report changes, please send an email with the change to: contactus@asrs.state.az.us, or contact our Member Services Division at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson and 1 (800) 621-3778 outside Phoenix and Tucson.

Contribution rates set for next fiscal year

As required by state statute, the Arizona State Retirement System adjusts contribution rates every two years to ensure the pension plan, retiree health insurance supplement plan and long-term disability plan remain fiscally sound.

Due to a variety of factors, including past benefit increases, low mid-term investment returns and changing demographics of the ASRS membership, the ASRS will be increasing contribution rates for the period from July 1, 2005 through June 30, 2007. These new rates will take effect July 1, 2005.

- **Retirement and Retiree Health Insurance Plans :** Increase from the current 5.2 percent of employee and employer contributions to a rate of 7.75 percent.
- **Long Term Disability Plan:** No increase from the current 0.50 percent of employee and employer contributions.
- **Combined Contribution Rate:** Increase from the current 5.70 percent to 8.25 percent.

Additional information on the new rates is posted on our website, www.asrs.state.az.us.

Let us help you plan your retirement

The Member Services Division of the ASRS conducts educational meetings available to all members. As our membership continues to grow, we continue to look to improve our services. This year, the ASRS is offering three different types of meetings to assist you on your path to retirement: **Group Meetings, Seminars and Service Purchase Meetings.**

- **Group Meeting:** Are you planning to retire within one year? In preparation for retirement, learn about potential monthly benefits and options available, completing retirement paperwork, health insurance, and returning to work policies after retirement.
- **Seminar:** Open to all members. In preparation for retirement learn about the ASRS, benefits as an active, inactive and retired member, member responsibilities, how a retirement benefit is calculated, wills and trusts, and Social Security benefits.
- **Service Purchase Meeting:** Open to all members. Learn about the Service Purchase process, types of service purchase, cost calculations and payment options.

Reservations are required and can be made by calling our offices at (602) 240-2000 in Phoenix, (520) 239-3100 in Tucson and 1 (800) 621-3778 outside Phoenix and Tucson.

ASRS Group Meetings, Seminars, and Service Purchase Meetings schedules may also be found on our website at www.asrs.state.az.us. Click on "Calendar" at the top of our homepage.

Board & Committee Meetings

- **ASRS Board of Trustees** – Friday, February 18, 8:30 a.m., ASRS Phoenix office, 3300 N. Central Ave., 10th floor Board Room.
- **Operations Committee** – Thursday, January 27, 10:30 a.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.
- **Investment Committee** – Tuesday, February 1, 5:30 p.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.
- **External Affairs Committee** – Friday, February 4, 10 a.m., ASRS Phoenix office, 3300 N. Central Ave., 14th floor conference room.

Note: All Board & Committee meetings are open to the public and your attendance is encouraged. Schedules, agendas and minutes of our meetings are posted on our website and are available at our Phoenix and Tucson offices.

Quick Reference
ASRS Related Retirement Legislation
(For Week Ending Friday, January 21, 2005)

BILLS	BILL STATUS	ADMINISTRATIVE COST
HB 2028 - Treasurer's Risk Reports; technical correction Sponsor: Boone As Introduced: Minor changes to ARS 35-319 relating to reports on the impact of security risks on state investments.	Assigned: 1/10 Hse Rules Status: 1/11/05 Second Read	As Introduced: None expected.
HB 2080 - Community Colleges, Retirement, technical correction Sponsor: Knaperek As Introduced: Minor change to ARS 15-1451 relating to optional retirement plans for employees of community colleges.	Assigned: 1/10 Hse Rules Status: 1/11/05 Second Read	As Introduced: None expected.
HB 2044 - Tech Correction; Treasurer's Risk Reports Sponsors: Pearce As Introduced: Minor changes to ARS 35-319 relating to reports on the impact of security risks on state investments.	Assigned: : 1/10 Hse Rules Status: 1/11/05 Second Read	As Introduced: None expected.
HB 2149 - Social Security Numbers; government request Sponsor: C. Gray As Introduced: The state and all political subdivisions are prohibited from asking for a person's Social Security number on any form or application unless required by federal law.	Assigned: Pending Status:	As Introduced: None expected.
HB 2411 - Short Title: EORP; membership Sponsor: Pearce As Introduced: Repealing Sections 38-815 And 38-821, Arizona Revised Statutes; Relating To The Elected Officials' Retirement Plan.	Assigned: Hse Rules. PIR, Approp B Status: 1/18/05 first read 1/19/05 second read	As Introduced: None expected.
HB 2472 - ASRS; Payroll Deduction Agreements First sponsor: Rep. McClure. Others: Rep. Downing, Sen. Martin. As Introduced: Mandates that an ASRS member's payroll deduction agreement must continue when the member transfers employment between participating ASRS employers.	Assigned: Pending Status:	As Introduced: None expected.
HB 2473 - ASRS Retirees; Eligibility For AHCCCS First sponsor: Rep. McClure. Others: Rep. Lopes, Sen. Arzberger. As Introduced: Provides the ASRS with the opportunity to explore the AHCCCS business model and provider network by including "retirees" as an "eligible person" in the AHCCCS definition statutes.	Assigned: PIR, Health and Rules Status: 1/18/05 First read 1/19/05 second read	As Introduced: None expected.
HB 2474 - ASRS; Credited Service Purchase Sponsor: Rep. McClure. As Introduced: Makes a technical correction.	Assigned: PIR, Rules Status: 1/18/05 First read 1/19/05 second read	As Introduced: None expected.

BILLS	BILL STATUS	ADMINISTRATIVE COST
SB 1017 - Payroll deduction agreements; group benefits Sponsor: Waring As Introduced: This bill authorizes payroll deductions for State sponsored group benefits. Potential group benefits would include long-term care insurance, critical care insurance, pre-paid legal services and identity theft protection services. ADOA strives to offer the most comprehensive benefits possible, and group benefit service providers offer discounted rates for entities who permit payroll deductions for such services. The bill passed the Senate Government Committee unanimously on Thursday and is scheduled for hearing in Senate Rules on Monday.	Assigned: Gov, Rules Status: 1/10/05 First Read: 1/11/05 Second Read: Gov- DPA Majority Caucus 1/18/05 COW 1/20/05 DPA	As Introduced: None expected.

LEGEND

AMEND C&P	Constitutional and Proper as Amended by the House Rules Committee
APPROP	Appropriations Committee
ASRS	Arizona State Retirement System
C&P	Constitutional and Proper
CORP	Corrections Officer Retirement Plan
COW	Committee of the Whole
DP	Do Pass
DPA	Do Pass as Amended
EORP	Elected Officials' Retirement Plan
FII	Financial Institutions and Insurance Committee
FIN	Finance Committee
GF	General Fund
GAR	Government Accountability and Reform Committee
GOV	Government Committee
HB	House Bill
HCR	House Concurrent Resolution
HHR	House Hearing Room
Hse.	House of Representatives
JUD	Judiciary Committee
LTD	Long Term Disability
PFC	Proper for Consideration
PFCA	Proper for Consideration as Amended by the Senate Rules Committee
PIRC	Public Institutions and Retirement Committee
PSPRS	Public Safety Personnel Retirement System
SB	Senate Bill
S/E	Strike Everything Amendment
Sen.	Senate
SHR	Senate Hearing Room
WM	Ways and Means Committee

**The weekly legislative report is available on-line at the ASRS website:
www.asrs.state.az.us**

If you have questions relating to legislation, please contact ASRS Government Relations Officer Denisse Gee at (602) 240-2027 or via email at **WeeklyReport@asrs.state.az.us**
The External Affairs Committee (EAC) meets the first Friday of each month